

# Bede Intermediate Company Limited

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Report and Accounts

30 September 2007

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# Bede Intermediate Company Limited

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Registered No 4154919

## **DIRECTORS**

D C George  
W S Townsend  
G E Tuppen

## **SECRETARY**

D C George

## **AUDITORS**

Ernst & Young LLP  
No 1 Colmore Square  
Birmingham  
B4 6HQ

## **REGISTERED OFFICE**

3 Monkspath Hall Road  
Solihull  
West Midlands  
B90 4SJ

# Bede Intermediate Company Limited

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## DIRECTORS' REPORT

The directors present their report and accounts for the year ended 30 September 2007

The directors' report has been prepared in accordance with the special provisions of part VII of the Companies Act relating to small entities

### PRINCIPAL ACTIVITIES AND REVIEW OF THE BUSINESS

The principal activity of the company was to act as an investment holding company. On 1 August 2006 the Company sold its entire shareholding in Voyager Pub Group Holdings Limited to Unique Pubs Limited for a consideration of £157,820,000. Since this date the company has become a group financing company.

### RESULTS AND DIVIDENDS

The profit before tax for the year amounted to £10,852,000 (2006 £159,613,000). During the year the company paid no equity dividend (2006 £nil). The directors do not recommend the payment of a final ordinary dividend (2006 - £nil).

### DIRECTORS

The directors of the company during the year ended 30 September 2007 and since the end of the year were as follows:

D C George  
W S Townsend  
G E Tuppen

### STATEMENT OF DISCLOSURE TO AUDITORS

The directors who are a member of the board at the time of approving the directors' report are listed above. The directors confirm that:

- To the best of the directors' knowledge and belief, there is no relevant audit information of which the Company's auditors are unaware, and
- The directors have taken all the steps that they ought to have taken to be aware of any relevant audit information and to establish that the company's auditors are aware of that information.

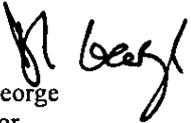
### GOING CONCERN

The directors continue to adopt the going concern basis in preparing the accounts. This is because the directors, after making enquiries and following a review of the company's budget for the next twelve months, including cash flows and borrowing facilities, consider that the company has adequate resources to continue in operation for the foreseeable future.

### AUDITORS

The company has passed a resolution in accordance with Sections 366A, 386 and 379A of the Companies Act 1985 (as amended) and has elected to dispense with the holding of an annual general meeting and the obligation to appoint auditors annually. The appointment of Ernst & Young LLP as auditors will therefore continue until such resolution is revoked or otherwise ceases to have effect.

On behalf of the Board

  
D C George  
Director

18 December 2007

## Bede Intermediate Company Limited

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### STATEMENT OF DIRECTORS' RESPONSIBILITIES IN RESPECT OF THE ACCOUNTS

The directors are responsible for preparing the Annual Report and the financial statements in accordance with applicable law and regulations

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). The financial statements are required by law to give a true and fair view of the state of affairs of the company and of the profit or loss of the company for that period. In preparing these financial statements, the directors are required to

- select suitable accounting policies and then apply them consistently,
- make judgments and estimates that are reasonable and prudent,
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements,
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business

The directors are responsible for keeping proper accounting records that disclose with reasonable accuracy at any time the financial position of the company and to enable them to ensure that the financial statements comply with the Companies Act 1985. They are also responsible for safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities

# Bede Intermediate Company Limited

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## INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF BEDE INTERMEDIATE COMPANY LIMITED

We have audited the company's financial statements for the year ended 30 September 2007 which comprise the Profit and Loss Account, the Balance Sheet and the related notes 1 to 13. These financial statements have been prepared under the accounting policies set out therein.

This report is made solely to the company's members, as a body, in accordance with Section 235 of the Companies Act 1985. Our audit work has been undertaken so that we might state to the company's members those matters we are required to state to them in an auditors' report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and the company's members as a body, for our audit work, for this report, or for the opinions we have formed.

### **Respective responsibilities of directors and auditors**

The directors' responsibilities for preparing the Annual Report and the financial statements in accordance with applicable United Kingdom law and Accounting Standards (United Kingdom Generally Accepted Accounting Practice) are set out in the Statement of Directors' Responsibilities.

Our responsibility is to audit the financial statements in accordance with relevant legal and regulatory requirements and International Standards on Auditing (UK and Ireland).

We report to you our opinion as to whether the financial statements give a true and fair view and are properly prepared in accordance with the Companies Act 1985. We also report to you whether in our opinion the information given in the directors' report is consistent with the financial statements.

In addition we report to you if, in our opinion, the company has not kept proper accounting records, if we have not received all the information and explanations we require for our audit, or if information specified by law regarding directors' remuneration and other transactions is not disclosed.

We read the directors' report and consider the implications for our report if we become aware of any apparent misstatements within it.

### **Basis of audit opinion**

We conducted our audit in accordance with International Standards on Auditing (UK and Ireland) issued by the Auditing Practices Board. An audit includes examination, on a test basis, of evidence relevant to the amounts and disclosures in the financial statements. It also includes an assessment of the significant estimates and judgments made by the directors in the preparation of the financial statements, and of whether the accounting policies are appropriate to the company's circumstances, consistently applied and adequately disclosed.

We planned and performed our audit so as to obtain all the information and explanations which we considered necessary in order to provide us with sufficient evidence to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or other irregularity or error. In forming our opinion we also evaluated the overall adequacy of the presentation of information in the financial statements.

## Bede Intermediate Company Limited

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### INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF BEDE INTERMEDIATE COMPANY LIMITED (CONTINUED)

#### Opinion

In our opinion

- the financial statements give a true and fair view, in accordance with United Kingdom Generally Accepted Accounting Practice, of the state of the company's affairs as at 30 September 2007 and of its profit for the year then ended,
- the financial statements have been properly prepared in accordance with the Companies Act 1985, and
- the information given in the directors' report is consistent with the financial statements

*Ernst & Young LLP*

Ernst & Young LLP

Registered auditor

Birmingham

## Bede Intermediate Company Limited

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### PROFIT AND LOSS ACCOUNT

Year ended 30 September 2007

	Note	2007 £000	2006 £000
Interest receivable and similar income	5	10,854	1,794
Interest payable and similar charges	6	(2)	(1)
Profit on disposal of fixed asset investment		-	157,820
		<hr/>	<hr/>
<b>PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION</b>		<b>10,852</b>	<b>159,613</b>
Taxation	7	-	-
		<hr/>	<hr/>
<b>PROFIT ON ORDINARY ACTIVITIES BEFORE AND AFTER TAXATION</b>	12	<b>10,852</b>	<b>159,613</b>
		<hr/>	<hr/>

All of the operations of the company are continuing

There are no gains or losses other than the profit for the year ended 30 September 2007 of £10,852,000 (2006 profit of £159,613,000)

# Bede Intermediate Company Limited

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## BALANCE SHEET At 30 September 2007

	Note	2007 £000	2006 £000
<b>CURRENT ASSETS</b>			
Debtors	8	170,480	159,626
<b>CREDITORS: amounts falling due within one year</b>	9	<u>(18)</u>	<u>(16)</u>
<b>NET CURRENT ASSETS</b>		<u>170,462</u>	<u>159,610</u>
<b>NET ASSETS</b>		<u>170,462</u>	<u>159,610</u>
<b>CAPITAL AND RESERVES</b>			
Called up share capital	10	-	-
Profit and loss account	12	<u>170,462</u>	<u>159,610</u>
<b>EQUITY SHAREHOLDERS' FUNDS</b>		<u>170,462</u>	<u>159,610</u>

Approved by the Board on 18 December, 07 and signed on its behalf by

  
D C George  
Director

# Bede Intermediate Company Limited

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## NOTES TO THE ACCOUNTS

At 30 September 2007

### 1. ACCOUNTING POLICIES

#### **Basis of preparation**

The financial statements are prepared under the historical cost convention in accordance with applicable Accounting Standards

The directors consider that the accounting policies set out below are suitable, have been consistently applied and are supported by reasonable and prudent judgements and estimates

The Company is a wholly indirectly owned subsidiary of Enterprise Inns plc, a company registered in England and Wales. Accordingly, consolidated accounts have not been prepared as permitted by s228 of the Companies Act 1985. The financial statements present information about the Company as an individual undertaking and not as a group.

#### **Cash flow statement**

Under Financial Reporting Standard 1 (Revised 1996) the company is exempt from the requirement to prepare a cash flow statement on the grounds that the parent undertaking includes the company in its own published consolidated financial statements.

#### **Taxation**

The charge for taxation is based on the result for the year and takes into account taxation deferred because of timing difference between the treatment of certain items for taxation and accounting purposes.

Deferred tax is recognised in respect of all timing differences that have originated but not reversed at the balance sheet date where transactions or events that result in an obligation to pay more, or a right to pay less, tax in the future have occurred at the balance sheet date, with the following exceptions:

- Deferred tax assets are recognised only to the extent that the Directors consider that it is more likely than not that there will be suitable taxable profits from which the future reversal of the underlying timing difference can be deducted.

Deferred tax is measured on a non-discounted basis at the tax rates that are expected to apply in the periods in which timing differences reverse, based on tax rates and laws enacted or substantively enacted at the balance sheet date.

The Company does not pay for or receive consideration for the value of any group relief, which is either surrendered or received in the period in accordance with the direction of the ultimate parent company.

#### **Related party disclosures**

The company has taken advantage of the exemption under FRS 8 – Related Party Transactions not to disclose related party transactions between wholly-owned group companies on the grounds that the consolidated accounts of the ultimate parent company are publicly available.

There are no other related party transactions in the year or the prior year.

### 2. LOSS ON ORDINARY ACTIVITIES AFTER TAXATION

The audit fees of the company for the year ended 30 September 2007 of £3,500 are borne by another group company (2006 £3,500).

# Bede Intermediate Company Limited

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## NOTES TO THE ACCOUNTS

At 30 September 2007

### 3. DIRECTORS EMOLUMENTS

During the current and prior year the directors received no emoluments from the company

### 4. STAFF NUMBERS AND COSTS

The company had no employees during the current or prior year

### 5 INTEREST RECEIVABLE AND SIMILAR INCOME

	2007 £000	2006 £000
Interest receivable on loans with group undertakings	10,854	1,794

### 6 INTEREST PAYABLE AND SIMILAR CHARGES

	2007 £000	2006 £000
Preference dividends	2	1

# Bede Intermediate Company Limited

## NOTES TO THE ACCOUNTS At 30 September 2007

### 7. TAXATION

	2007 £000	2006 £000
<b>a) Analysis of charge in year</b>		
<b>Current tax</b>		
UK Corporation tax (note 7b)	-	-

There is no deferred tax charge or credit for either year

#### b) Factors affecting tax credit for year

The tax assessed on the loss on ordinary activities for the year is lower than the standard rate of corporation tax in the UK. The differences are explained below

	2007 £000	2006 £000
Profit on ordinary activities before taxation	10,852	159,614
Profit on ordinary activities before taxation at 30% (2006: 30%)	3,256	47,884
Effects of Non taxable profit on sale of fixed asset investment	-	(47,346)
Group relief	(3,256)	(538)
Current tax for the year (note 7a)	-	-

#### c) Factors affecting future tax charges

On 21 March 2007 the UK Chancellor of the Exchequer announced a number of corporate tax reforms effective from 1 April 2008. The following changes to corporation tax will have an impact on the company

- Corporation tax reduction from 30% to 28%,

The full impact of this change has yet to be ascertained but it is likely that the company will have a lower UK effective tax rate on future taxable profits, subject to the receipt of group relief

### 8. DEBTORS

	2007 £000	2006 £000
Amounts owed by group undertakings	170,480	159,626

The company enters into loans with other group companies which attract interest at varying levels

# Bede Intermediate Company Limited

## NOTES TO THE ACCOUNTS

At 30 September 2007

### 9 CREDITORS

	2007 £000	2006 £000
Preference shares – dividends accrued	6	4
Preference shares	12	12
	<u>18</u>	<u>16</u>

The cumulative redeemable preference shares are entitled to a dividend level of 12% per annum accruing on a daily basis payable on 30 June and 31 December. On a return of capital on a winding up, the holders shall be entitled to £1 per share in preference to all other shareholders. Holders of these shares do not have the right to vote at meetings.

### 10. SHARE CAPITAL

	2007		2006	
	No.	£	No.	£
<b>Authorised</b>				
Ordinary shares of 1p each	100	1	100	1
<b>Called up and allotted</b>				
Ordinary shares of 1p each	2	-	2	-

### 11. RECONCILIATION OF SHAREHOLDERS' FUNDS

	2007 £000	2006 £000
Profit for the financial year	10,852	159,613
Net increase in shareholders' funds	10,852	159,613
Opening shareholders' funds	159,610	(3)
Closing shareholders' funds	<u>170,462</u>	<u>159,610</u>

## Bede Intermediate Company Limited

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### NOTES TO THE ACCOUNTS

At 30 September 2007

#### 12. RESERVES

	<b>Profit and Loss Account £000</b>
At 1 October 2006	159,610
Profit for the year	10,852
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At 30 September 2007	<b>170,462</b>
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#### 13. PARENT UNDERTAKING AND CONTROLLING PARTY

The Company's immediate parent undertaking is Bede Holding Company Limited, a company incorporated in the United Kingdom and registered in England and Wales. The Company's ultimate and controlling parent undertaking is Enterprise Inns plc, a company incorporated in the United Kingdom and registered in England and Wales. Copies of its group accounts, which include the Company, may be obtained from 3 Monkspath Hall Road, Solihull, West Midlands B90 4SJ.